

NOTE TO TAX PROFESSIONALS

The draft Advisory on the following pages is currently undergoing internal review by the Division of Taxation.

If you would like to share with us your comments or concerns about any aspect of this draft document, please submit them online through the following link: <http://bit.ly/2azJANr>

Comments are due by close of business on August 3, 2016.

Thank you.

-- Rhode Island Division of Taxation



Rhode Island Department of Revenue

Division of Taxation

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TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
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⇒ **DRAFT** ⇐

Extended due dates set for certain entities

New dates apply for 2016 and later tax years

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced a new set of extended due dates for certain entities.

The changes mainly involve C corporations that file on Form RI-1120C, pass-through entities that file on Form RI-1065, and trusts that file on Form RI-1041.

The Division of Taxation is making the changes so that entities filing their federal and Rhode Island returns will have the same deadlines – a convenience for businesses and tax professionals.

BACKGROUND AND DISCUSSION

Legislation approved by Congress and signed into law by President Barack H. Obama on July 31, 2015, changed the original due dates for C corporations and partnerships.¹ The new federal law also made changes to extended due dates for certain entities.

Legislation approved by the Rhode Island General Assembly and signed into law by Rhode Island Governor Gina M. Raimondo on June 24, 2016, conforms Rhode Island law to federal law regarding C corporation and partnership due dates.² The new Rhode Island law does not address specific extended due dates, leaving that matter to the Division of Taxation.

The intent of the Rhode Island legislation, changing original due dates for certain entities, was to conform to new federal law on that subject. The Division of Taxation's intent, for adopting new extended due dates for certain entities, is to conform to the new federal law.

- Formulas and deadlines for estimated tax payments remain the same as under prior law.
- Due dates described in this Advisory take effect for tax years beginning after December 31, 2015. Most tax professionals will first encounter them during the coming filing season, which begins in January 2017.
- As under prior law, an "extension" means an extension of the time to file, not of the time to pay; payments still must be made by the original due date of the return.
- The Division expects to provide additional guidance on original and extended due dates once the Internal Revenue Service promulgates regulations under terms of U.S. Public Law 114-41.

¹ U.S. Public Law 114-41.

² Rhode Island House Bill 7454, Substitute A, as amended.

PARTNERSHIPS, LLCs

For partnerships and limited liability companies (LLCs) that are treated as pass-through entities for tax purposes and that file Form RI-1065, the original due date is the 15th day of the third month after the close of the taxable year; the extended due date is the 15th day of the 9th month after the close of the taxable year. In other words, these entities will have a six-month extension.

Example # 1

Chepachet LP, a limited partnership, uses a calendar year.³ Therefore, it must file its Form RI-1065 on or before March 15. The maximum extension available is six months. Thus, the extended due date is September 15.

Example # 2

Esmond LLP, a limited partnership, has a fiscal year-end of June 30. Therefore, it must file Form RI-1065 on or before September 15. The maximum extension is six months. Thus, the extended due date is March 15.

Example # 3

Gary Greenville holds rental real estate in a single-member LLC, which is disregarded for federal income tax purposes. Gary files a U.S. Form 1040 and enters business income and expenses involving his rental real estate on Schedule E. On behalf of the single-member LLC, Gary must file Form RI-1065 on or before March 15. The maximum extension available is six months. Thus, the extended due date is September 15.

Gary attaches the appropriate schedule from his U.S. Form 1040 (such as Schedule C or Schedule E). If a completed schedule is not available, he attaches a *pro forma* schedule. In lieu of the actual or *pro forma* schedule, Gary may attach a standard profit-and-loss statement for the rental real estate business.

INCOME TAX RETURNS OF TRUSTS

Under the new federal law, the original due date for income tax returns of trusts remains the same, but the extended due date for such returns is now nine months after the close of the taxable year. Rhode Island follows suit with respect to income tax returns of all Form RI-1041 filers.

Example # 4

Harrisville Trust, an irrevocable trust, uses a calendar year. The due date of its fiduciary income tax return on Form RI-1041 is unchanged: it is April 15. The maximum extension is 5 ½ months. Thus, the extended due date is September 30.

³ The names of corporations or other entities used in examples in this Advisory are for illustration purposes only and are not intended to represent the names of actual entities.

C CORPORATIONS

For an entity treated as a C corporation for federal income tax purposes, the original and extended due dates depend on the entity's year-end. In essence, there is a separate set of rules for each of the following three groups:

- C corporations with calendar year-end
- C corporations with a June 30 year-end
- C corporations with a year-end other than December 31 or June 30.

Table 1: Snapshot of filing deadlines for C corporations

<i>Year-end</i>	<i>Due date</i>	<i>Maximum extension</i>	<i>Extended due date</i>
December 31	April 15	Five months	September 15
June 30	September 15	Seven months	April 15
Fiscal year (other than June 30)	15 th day of 4 th month (after close of tax year)	Six months	15 th day of 10 th month (after close of taxable year)
See expanded tables beginning on following page.			

Example # 5:

Wallum Lake Corp. uses a calendar year. Therefore it must file its Form RI-1120C on or before April 15. The maximum extension available is five months. Thus, the company's extended due date is September 15. That is also the case if the company files on behalf of a combined group which is engaged in a unitary business and is subject to Rhode Island's mandatory unitary combined reporting regime.

Example # 6:

Indian Lake Corp.'s fiscal year-end is June 30. Therefore, it must file Form RI-1120C on or before September 15. The maximum extension is seven months. Thus, the company's extended due date is April 15.

Example # 7:

Silver Lake Corp.'s fiscal year-end is March 31. Therefore, it must file Form RI-1120C on or before July 15. The maximum extension is six months. Thus, the company's extended due date is January 15.

Example # 8:

Arnold Pond Corp., of Westerly, R.I., and Burlingame Pond Corp., of New London, Conn., are both calendar-year C corporations under common ownership, part of a combined group engaged in a unitary business, subject to Rhode Island mandatory unitary combined reporting. Arnold Pond Corp., as the designated agent, files the group's Form RI-1120C, and attaches a separate Schedule CRS for each entity in the combined group. The Form RI-1120C with attached schedules is due April 15. The extended due date is September 15.

Table 2: Due dates for certain entities – calendar-year filers

(For tax years beginning after December 31, 2015)

<i>Tax / Entity</i>	<i>Form</i>	<i>Due date</i>	<i>Extended due date</i>
Business Corporation Tax Corporate income tax, RIGL Chapter 44-11	Form RI-1120C	April 15	September 15
Public Service Corporation Tax Public service gross earnings tax, RIGL Chapter 44-13	Form T-72	April 15	September 15
Taxation of Banks Bank excise tax, RIGL Chapter 44-14	Form T-74	April 15	September 15
Taxation of Insurance Companies Insurance gross premiums tax, RIGL Chapter 44-17	Form T-71	April 15	September 15
Subchapter S Corporations Corporate income tax, RIGL § 44-11-2	Form RI-1120S	March 15	September 15
General partnership RIGL Chapter 7-12	Form RI-1065	March 15	September 15
Limited partnership (LP) RIGL § 7-13-69 (filing as pass-through)	Form RI-1065	March 15	September 15
Limited liability partnership (LLP) RIGL § 7-12-60 (filing as pass-through)	Form RI-1065	March 15	September 15
Limited liability company (LLC) RIGL § 7-16-67 (filing as pass-through)	Form RI-1065	March 15	September 15
Single-member LLC (SMLLC) RIGL § 7-16-67 (filing as pass-through)	Form RI-1065	March 15	September 15
Income tax of trusts Fiduciary income tax return, RIGL § 44-30-51	Form RI-1041	April 15	September 30

Notes:

- Deadlines shown in table do not take into account the impact of weekends and holidays.
- Formulas and deadlines for estimated taxes and annual filing charges have not changed.
- Original and extended due dates for corporate income tax also apply to entities subject to mandatory unitary combined reporting.
- Dates for subchapter S corporations are the same as under prior law and are included above for convenience.
- The deadlines for estimated and annual tax payments, and for returns, for surplus lines insurance brokers/licensees have not changed.

Table 3: Due dates for certain entities – June 30 year-end

(For tax years after December 31, 2015)

<i>Tax / Entity</i>	<i>Form</i>	<i>Due date</i>	<i>Extended due date</i>
Business Corporation Tax Corporate income tax, RIGL Chapter 44-11	Form RI-1120C	September 15	April 15
Public Service Corporation Tax Public service gross earnings tax, RIGL Chapter 44-13	Form T-72	September 15	April 15
Taxation of Banks Bank excise tax, RIGL Chapter 44-14	Form T-74	September 15	April 15
Taxation of Insurance Companies Insurance gross premiums tax, RIGL Chapter 44-17	Form T-71	September 15	April 15
Subchapter S Corporations Corporate income tax, RIGL § 44-11-2	Form RI-1120S	September 15	March 15
General partnership RIGL Chapter 7-12	Form RI-1065	September 15	March 15
Limited partnership (LP) RIGL § 7-13-69 (filing as pass-through)	Form RI-1065	September 15	March 15
Limited liability partnership (LLP) RIGL § 7-12-60 (filing as pass-through)	Form RI-1065	September 15	March 15
Limited liability company (LLC) RIGL § 7-16-67 (filing as pass-through)	Form RI-1065	September 15	March 15
Single-member LLC (SMLLC) RIGL § 7-16-67 (filing as pass-through)	Form RI-1065	September 15	March 15
Income tax of trusts Fiduciary income tax return, RIGL § 44-30-51	Form RI-1041	October 15	March 30

Notes:

- Deadlines shown in table do not take into account the impact of weekends and holidays.
- Formulas and deadlines for estimated taxes and annual filing charges have not changed.
- Original and extended due dates for corporate income tax also apply to entities subject to mandatory unitary combined reporting.
- Dates for subchapter S corporations are the same as under prior law and are included above for convenience.
- The deadlines for estimated and annual tax payments, and for returns, for surplus lines insurance brokers/licensees have not changed.

Table 4: Due dates for certain entities – fiscal year other than June 30

(For tax years after December 31, 2015)

<i>Tax / Entity</i>	<i>Form</i>	<i>Due date</i>	<i>Extended due date</i>
Business Corporation Tax Corporate income tax, RIGL Chapter 44-11	Form RI-1120C	15 th day of 4 th month (after close of taxable year)	15 th day of 10 th month (after close of taxable year)
Public Service Corporation Tax Public service gross earnings tax, RIGL Chapter 44-13	Form T-72	15 th day of 4 th month (after close of taxable year)	15 th day of 10 th month (after close of taxable year)
Taxation of Banks Bank excise tax, RIGL Chapter 44-14	Form T-74	15 th day of 4 th month (after close of taxable year)	15 th day of 10 th month (after close of taxable year)
Taxation of Insurance Companies Insurance gross premiums tax, RIGL Chapter 44-17	Form T-71	15 th day of 4 th month (after close of taxable year)	15 th day of 10 th month (after close of taxable year)
Subchapter S Corporations Corporate income tax, RIGL § 44-11-2	Form RI-1120S	15 th day of 3 rd month (after close of taxable year)	15 th day of 9 th month (after close of taxable year)
General partnership RIGL Chapter 7-12	Form RI-1065	15 th day of 3 rd month (after close of taxable year)	15 th day of 9 th month (after close of taxable year)
Limited partnership (LP) RIGL § 7-13-69 (filing as pass-through)	Form RI-1065	15 th day of 3 rd month (after close of taxable year)	15 th day of 9 th month (after close of taxable year)
Limited liability partnership (LLP) RIGL § 7-12-60 (filing as pass-through)	Form RI-1065	15 th day of 3 rd month (after close of taxable year)	15 th day of 9 th month (after close of taxable year)
Limited liability company (LLC) RIGL § 7-16-67 (filing as pass-through)	Form RI-1065	15 th day of 3 rd month (after close of taxable year)	15 th day of 9 th month (after close of taxable year)
Single-member LLC (SMLLC) RIGL § 7-16-67 (filing as pass-through)	Form RI-1065	15 th day of 3 rd month (after close of taxable year)	15 th day of 9 th month (after close of taxable year)
Income tax of trusts Fiduciary income tax return, RIGL § 44-30-51	Form RI-1041	15 th day of 4 th month (after close of taxable year)	30 th day of 9 th month (after close of taxable year)

Notes:

- Deadlines shown in table do not take into account the impact of weekends and holidays.
- Formulas and deadlines for estimated taxes and annual filing charges have not changed.
- Original and extended due dates for corporate income tax also apply to entities subject to mandatory unitary combined reporting.
- Dates for subchapter S corporations are the same as under prior law and are included above for convenience.
- The deadlines for estimated and annual tax payments, and for returns, for surplus lines insurance brokers/licensees have not changed.

C CORPORATIONS IN SUMMARY

Calendar-year

For tax years beginning before January 1, 2026, for a calendar-year C corporation, the original due date is April 15 and the maximum extension is five months, to September 15.

For tax years beginning after December 31, 2025, the original due date continues to be April 15, but the maximum extension will be six months, to October 15.

June 30 year-end

For tax years beginning before January 1, 2026, for a C corporation with a June 30 year-end, the original due date is September 15 and the extended due date is seven months later, on April 15.

For tax years beginning after December 31, 2025, the original due date changes to October 15, but the extended due date continues to be April 15.

Fiscal year-end other than June 30

For C corporations with a fiscal year end other than June 30, the original due date is the 15th day of the fourth month after the close of the taxable year. A six-month extension is allowed, making the extended due date the 15th day of the 10th month after the close of the taxable year.

FOR MORE INFORMATION

If an entity is not listed in this Advisory, neither its due date nor its extended due date has changed.

To reach the Division's Corporate Tax section, call (401) 574-8935 or email:

Tax.Corporate@tax.ri.gov

To obtain email and telephone numbers for the various sections within the Division of Taxation, please use the "Contact us" section of the agency's website: <http://www.tax.ri.gov/contact/>